

**FOCUS BANK** MAR 05 2012

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
**REMITTANCE ADVICE**  
FORM 159

Approved by OMB  
3060-0589  
Page No. 1 of 20

(1) LOCKBOX # <b>979091</b>		SPECIAL USE ONLY	
		FCC USE ONLY	
<b>SECTION A - PAYER INFORMATION</b>			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) <b>Carole J. Williamson, FairPoint Communications</b>		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) <b>\$16,825.00</b>	
(4) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>			
(5) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>			
(6) CITY <b>Charlotte</b>		(7) STATE <b>NC</b>	(8) ZIP CODE <b>28202</b>
(9) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(10) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(11) PAYER (FRN) <b>0007-7099-91</b>		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) <b>COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(13) APPLICANT NAME <b>Berkshire Telephone Corporation</b>			
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>			
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>			
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(21) APPLICANT (FRN) <b>0004-4915-44</b>		(22) FCC USE ONLY	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE <b>CQK</b>	(25A) QUANTITY <b>1</b>	
(26A) FEE DUE FOR (PTC) <b>\$845.00</b>	(27A) TOTAL FEE <b>\$845.00</b>	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE <b>BEA</b>	(25B) QUANTITY <b>1</b>	
(26B) FEE DUE FOR (PTC) <b>\$7,990.00</b>	(27B) TOTAL FEE <b>\$7,990.00</b>	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	

**PAID BY CREDIT CARD**

**PAID BY CREDIT CARD**

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>2</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT</b> <b>SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>		
(13) APPLICANT NAME <b>Big Sandy Telecom, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>
		(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0003-723509</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE <b>BEB</b>	(25A) QUANTITY <b>1</b>
(26A) FEE DUE FOR (PTC) <b>\$7,990.00</b>	(27A) TOTAL FEE <b>\$7,990.00</b>	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C		SPECIAL USE	
Page No. <u>3</u> of <u>20</u>		FCC USE ONLY	
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>			
(13) APPLICANT NAME <b>Bluestem Telephone Company</b>			
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>			
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>			
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(21) APPLICANT (FRN) <b>0003-7234-91</b>		(22) FCC USE ONLY	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY	
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY	
(28C) FCC CODE 1		(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY	
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY	
(28D) FCC CODE 1		(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY	
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY	
(28E) FCC CODE 1		(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY	
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY	
(28F) FCC CODE 1		(29F) FCC CODE 2	



FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C		SPECIAL USE  FCC USE ONLY
Page No. <u>4</u> of <u>26</u>		
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Chautauqua and Erie Telephone Corporation</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) <b>0004-3316-82</b>		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2



FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>5</u> of <u>24</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Chouteau Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>
		(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) <b>0003-7235-17</b>		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>6</u> of <u>20</u>		SPECIAL USE FCC USE ONLY	
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION			
(13) APPLICANT NAME <b>Columbine Telecom Company</b>			
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>			
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>			
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) <b>0002-1470-98</b>		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY	
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY	
(28C) FCC CODE 1		(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY	
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY	
(28D) FCC CODE 1		(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY	
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY	
(28E) FCC CODE 1		(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY	
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY	
(28F) FCC CODE 1		(29F) FCC CODE 2	

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE (CONTINUATION SHEET)  
FORM 159-C

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SPECIAL USE

FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT  
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

**C-R Telephone Company**

(14) STREET ADDRESS LINE NO. 1

**% FairPoint Communications**

(15) STREET ADDRESS LINE NO. 2

**521 E. Morehead Street, Suite 500**

(16) CITY

**Charlotte**

(17) STATE

**NC**

(18) ZIP CODE

**28202**

(19) DAYTIME TELEPHONE NUMBER (include area code)

**704-344-8150**

(20) COUNTRY CODE (if not in U.S.A.)

**USA**

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)

**0003-7234-67**

(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

(23C) CALL SIGN/OTHER ID

(24C) PAYMENT TYPE CODE

(25C) QUANTITY

(26C) FEE DUE FOR (PTC)

(27C) TOTAL FEE

FCC USE ONLY

(28C) FCC CODE 1

(29C) FCC CODE 2

(23D) CALL SIGN/OTHER ID

(24D) PAYMENT TYPE CODE

(25D) QUANTITY

(26D) FEE DUE FOR (PTC)

(27D) TOTAL FEE

FCC USE ONLY

(28D) FCC CODE 1

(29D) FCC CODE 2

(23E) CALL SIGN/OTHER ID

(24E) PAYMENT TYPE CODE

(25E) QUANTITY

(26E) FEE DUE FOR (PTC)

(27E) TOTAL FEE

FCC USE ONLY

(28E) FCC CODE 1

(29E) FCC CODE 2

(23F) CALL SIGN/OTHER ID

(24F) PAYMENT TYPE CODE

(25F) QUANTITY

(26F) FEE DUE FOR (PTC)

(27F) TOTAL FEE

FCC USE ONLY

(28F) FCC CODE 1

(29F) FCC CODE 2



FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C		SPECIAL USE
Page No. <u>8</u> of <u>20</u>		FCC USE ONLY
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>		
(13) APPLICANT NAME <b>The El Paso Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0003-7235-25</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C		SPECIAL USE _____ FCC USE ONLY _____	
Page No. <u>9</u> of <u>20</u>			
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT</b> <b>SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>			
(13) APPLICANT NAME <b>Ellensburg Telephone Company</b>			
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>			
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>			
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(21) APPLICANT (FRN) <b>0001-5812-97</b>		(22) FCC USE ONLY _____	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY	
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY	
(28C) FCC CODE 1		(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY	
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY	
(28D) FCC CODE 1		(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY	
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY	
(28E) FCC CODE 1		(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY	
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY	
(28F) FCC CODE 1		(29F) FCC CODE 2	

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>10</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Fremont Telcom Co.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0001-5876-25</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2



FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C		SPECIAL USE  FCC USE ONLY
Page No. <u>11</u> of <u>20</u>		
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>The Germantown Independent Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) <b>0003-7346-96</b>		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>12</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT <b>SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>		
(13) APPLICANT NAME <b>GTC, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0001-8246-06</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C		SPECIAL USE
Page No. <u>13</u> of <u>20</u>		FCC USE ONLY
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>		
(13) APPLICANT NAME <b>Marianna and Scenery Hill Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0004-3676-78</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2



FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No <u>14</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Odin Telephone Exchange, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>	(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0002-8191-91</b>	(22) FCC USE ONLY	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>15</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>The Orwell Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>
(18) ZIP CODE <b>28202</b>		
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0002-9468-79</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C		SPECIAL USE  FCC USE ONLY
Page No. <u>16</u> of <u>20</u>		
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Peoples Mutual Telephone Company</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAY TIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0002-0711-16</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	



FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>17</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Sunflower Telephone Company, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0003-7232-36</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No <u>18</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>Taconic Telephone Corp.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>
		(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0003-7531-18</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>9</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>YCOM Networks, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>		(17) STATE <b>NC</b>
		(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) <b>0008-9904-59</b>		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2



FEDERAL COMMUNICATIONS COMMISSION <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> FORM 159-C Page No. <u>10</u> of <u>20</u>		SPECIAL USE  FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME <b>FairPoint Communications Missouri, Inc.</b>		
(14) STREET ADDRESS LINE NO. 1 <b>% FairPoint Communications</b>		
(15) STREET ADDRESS LINE NO. 2 <b>521 E. Morehead Street, Suite 500</b>		
(16) CITY <b>Charlotte</b>	(17) STATE <b>NC</b>	(18) ZIP CODE <b>28202</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>704-344-8150</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) <b>0014-7103-88</b>		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

March 1, 2012

**REDACTED FOR PUBLIC INSPECTION – SUBJECT TO REQUEST FOR  
CONFIDENTIAL TREATMENT**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
ATTN: Wireline Competition Bureau  
P.O. Box 979091  
St. Louis, MO 63197-9000

Re: In the matter of FairPoint Petitioning LECs' Petition for Price Cap Regulation and  
for Limited Waiver Relief

Dear Ms. Dortch:

Enclosed for filing are an original and six copies of the FairPoint Petitioning LECs' Petition for Price Cap Regulation and for Limited Waiver Relief ("Petition").<sup>1</sup> Also enclosed is a completed FCC Form 159 Remittance Advice, with credit card payment authorization to cover the filing fee in connection with the Petition.

Pursuant to 47 C.F.R. § 0.459 of the Commission's Rules, the FairPoint Petitioning LECs, all subsidiaries of FairPoint Communications, Inc. ("FairPoint"), hereby request that the Commission afford confidential treatment to certain information included in the FairPoint Petitioning LECs' Petition. Specifically, the FairPoint Petitioning LECs request that the Commission afford confidential treatment to the amount of their interstate special access revenue requirement; the amount of their current high-cost funding support; the estimated amount of their high-cost funding support under the Connect America Fund; the expected amount of lost revenue if the FairPoint Petitioning LECs were to implement the inter-carrier compensation transition to bill-and-keep on the price cap schedule; the expected amount of lost Access Recovery Charge revenue if the FairPoint Petitioning LECs were to implement the inter-carrier compensation transition to bill-and-keep on the price cap schedule; and the amount of the combined impact of these lost revenues on FairPoint (collectively the "Confidential Information"). The FairPoint

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<sup>1</sup> The "FairPoint Petitioning LECs" are" Berkshire Telephone Corporation, Big Sandy Telecom, Inc., Bluestem Telephone Company, Chautauqua and Erie Telephone Corporation, Chouteau Telephone Company, Columbine Telecom Company, C-R Telephone Company, The El Paso Telephone Company, Ellensburg Telephone Company, FairPoint Communications Missouri, Inc., Fremont Telcom Co., The Germantown Independent Telephone Company, GTC, Inc., Marianna and Scenery Hill Telephone Company, Odin Telephone Exchange, Inc., The Orwell Telephone Company, Peoples Mutual Telephone Company, Sunflower Telephone Company, Inc., Taconic Telephone Corp., and YCOM Networks, Inc..



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CONFIDENTIAL TREATMENT**

Petitioning LECs' Confidential Information meets the requirements for confidential treatment contained in the Commission's rules.<sup>2</sup>

The FairPoint Petitioning LECs have included the Confidential Information in their Petition to demonstrate the financial impact on them if they are required to continue performing complete cost studies in order to support their interstate special access revenue requirement for the only services – special access services – that remain rate-of-return regulated as well as to demonstrate the financial impact on them if they were required to transition their inter-carrier compensation to bill-and-keep on the price cap schedule as a result of this requested price cap conversion. This Confidential Information is competitively sensitive information as it sets forth proprietary business revenues and costs. For the same reasons, this Confidential Information is commercially sensitive.

Disclosure of this Confidential Information could result in substantial competitive harm to the FairPoint Petitioning LECs. If competitors could view this information, they would have key inputs for the FairPoint Petitioning LECs' pricing for special access services, as well as strategic information on loss of high-cost support. Competitors could use this Confidential Information to unfairly compete against the FairPoint Petitioning LECs for products in geographic areas where the FairPoint Petitioning LECs are most vulnerable during the transition to bill-and-keep if they are not granted the requested limited waiver relief. They could also use this Confidential Information to unfairly compete against the FairPoint Petitioning LECs for products in geographic areas where the FairPoint Petitioning LECs are unable to flexibly adapt to competition if they are not granted the requested conversion to price cap regulation.

The FairPoint Petitioning LECs have carefully protected this Confidential Information from commercial disclosure. This Confidential Information is not published in this form in any SEC reports or FCC reports. It is not in the public record.

The Confidential versions of the Petition are also being filed today under separate cover. Each page of the confidential versions of the Petition is marked "CONFIDENTIAL – NOT FOR PUBLIC INSPECTION – SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT." Where confidential information is included, the relevant portions of the text are marked "[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]."

The redacted copies of the Petition are marked "REDACTED FOR PUBLIC INSPECTION – SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT," and confidential portions of the Petition have been removed. Where confidential information has been removed, the relevant portions of the text are marked "[REDACTED]."

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<sup>2</sup> See 47 C.F.R. § 0.459.



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CONFIDENTIAL TREATMENT**

The FairPoint Petitioning LECs have provided this Confidential Information solely as support for their Petition. The FairPoint Petitioning LECs request that, if the Commission does not grant this request for confidential treatment, they be permitted to remove the Confidential Information from the Petition.

Please direct any questions concerning this matter to me.

Respectfully submitted,



Karen Brinkmann  
Counsel for the FairPoint Petitioning LECs

Enclosures

**REDACTED FOR PUBLIC INSPECTION –  
SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT**

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )

)  
Berkshire Telephone Corporation, Big Sandy )  
Telecom, Inc., Bluestem Telephone Company, )  
Chautauqua and Erie Telephone Corporation, )  
Chouteau Telephone Company, Columbine )  
Telecom Company, C-R Telephone Company, )  
The El Paso Telephone Company, Ellensburg )  
Telephone Company, FairPoint Communications )  
Missouri, Inc., Fremont Telcom Co., The )  
Germantown Independent Telephone Company, )  
GTC, Inc., Marianna and Scenery Hill Telephone )  
Company, Odin Telephone Exchange, Inc., The )  
Orwell Telephone Company, Peoples Mutual )  
Telephone Company, Sunflower Telephone )  
Company, Inc., Taconic Telephone Corp., YCOM )  
Networks, Inc. )

WC Docket No. \_\_\_\_\_

)  
Petition for Conversion to Price Cap Regulation )  
And for Limited Waiver Relief )

**PETITION FOR CONVERSION TO PRICE CAP REGULATION  
AND FOR LIMITED WAIVER RELIEF**

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*Counsel for the FairPoint Petitioning  
LECs*

March 1, 2012

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SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT**

**Summary**

FairPoint Communications, Inc. (“FairPoint”) currently operates incumbent local exchange carrier (“LEC”) subsidiaries subject to interstate price cap regulation in some study areas, and rate-of-return regulation in other study areas, pursuant to previous waivers of Sections 61.41(b) and (c) of the Commission’s rules. In the instant petition, the 20 cost-based rate-of-return-regulated FairPoint LECs, Berkshire Telephone Corporation, Big Sandy Telecom, Inc., Bluestem Telephone Company, Chautauqua and Erie Telephone Corporation, Chouteau Telephone Company, Columbine Telecom Company, C-R Telephone Company, The El Paso Telephone Company, Ellensburg Telephone Company, FairPoint Communications Missouri, Inc., Fremont Telcom Co., The Germantown Independent Telephone Company, GTC, Inc., Marianna and Scenery Hill Telephone Company, Odin Telephone Exchange, Inc., The Orwell Telephone Company, Peoples Mutual Telephone Company, Sunflower Telephone Company, Inc., Taconic Telephone Corp., and YCOM Networks, Inc. (collectively, the “FairPoint Petitioning LECs”) hereby request that the Commission grant their request to a conversion of their special access services from rate-of-return regulation to price cap regulation, and that the Commission grant limited waivers of its rules as necessary to permit the FairPoint Petitioning LECs to convert the requested services to price cap regulation on or before January 1, 2013. The FairPoint Petitioning LECs present a reasonable proposal, consistent with Commission precedent and aligned with recent changes in federal regulation, for this conversion and for limited waivers of the Commission’s rules.

There is “good cause” for the requested conversion and waivers. As discussed herein, the Commission’s rules afford carriers the right to elect price cap status, but do not provide a clear path through which carriers may exercise that right. Moreover, FairPoint does not believe it is



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possible to fully comply with FCC's price cap conversion rules by converting all of the FairPoint Petitioning LECs' interstate services from rate-of-return regulation to price cap regulation, given that the new rules adopted by the Commission in the *CAF/ICC Transformation Order* have preempted price cap regulation for common line and switched access services. At the same time, the Commission continues to encourage LECs to convert to price cap regulation.

Grant of the requested conversion and waivers would provide the FairPoint Petitioning LECs with regulatory incentives to maintain and enhance efficient and innovative operations, and would result in lower overall rates for consumers, consistent with other price cap conversions and associated waivers. In light of the FairPoint Petitioning LECs' unique status as the only price cap carrier in the United States with rate-of-return affiliates that settle on a cost basis, the limited conversion of special access services to price cap regulation and the waiver of the "all-or-nothing" rule so as to permit interstate switched access services to remain subject to the rate-of-return schedule for transition to bill-and-keep would be particularly consistent with the policy objectives expressed in the Commission's 2011 *CAF/ICC Transformation Order* to reform universal service and intercarrier compensation. This limited conversion also would be generally consistent with other price cap conversions and other waivers of the "all-or-nothing" rule. Absent a waiver, the FairPoint Petitioning LECs would remain under both price cap and rate-of-return modes of regulation. Accordingly, the FairPoint Petitioning LECs respectfully request that the Commission, through the Wireline Competition Bureau, expeditiously grant the instant petition.

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**REDACTED FOR PUBLIC INSPECTION –  
SUBJECT TO REQUEST FOR CONFIDENTIAL TREATMENT**

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
Berkshire Telephone Corporation, Big Sandy	)	WC Docket No. _____
Telecom, Inc., Bluestem Telephone Company,	)	
Chautauqua and Erie Telephone Corporation,	)	
Chouteau Telephone Company, Columbine	)	
Telecom Company, C-R Telephone Company,	)	
The El Paso Telephone Company, Ellensburg	)	
Telephone Company, FairPoint Communications	)	
Missouri, Inc., Fremont Telcom Co., The	)	
Germantown Independent Telephone Company,	)	
GTC, Inc., Marianna and Scenery Hill Telephone	)	
Company, Odin Telephone Exchange, Inc., The	)	
Orwell Telephone Company, Peoples Mutual	)	
Telephone Company, Sunflower Telephone	)	
Company, Inc., Taconic Telephone Corp., YCOM	)	
Networks, Inc.	)	
	)	
Petition for Conversion to Price Cap Regulation	)	
And for Limited Waiver Relief	)	

**PETITION FOR CONVERSION TO PRICE CAP REGULATION  
AND FOR LIMITED WAIVER RELIEF**

Berkshire Telephone Corporation, Big Sandy Telecom, Inc., Bluestem Telephone Company, Chautauqua and Erie Telephone Corporation, Chouteau Telephone Company, Columbine Telecom Company, C-R Telephone Company, The El Paso Telephone Company, Ellensburg Telephone Company, FairPoint Communications Missouri, Inc., Fremont Telcom Co., The Germantown Independent Telephone Company, GTC, Inc., Marianna and Scenery Hill Telephone Company, Odin Telephone Exchange, Inc., The Orwell Telephone Company, Peoples Mutual Telephone Company, Sunflower Telephone Company, Inc., Taconic Telephone Corp.,



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and YCOM Networks, Inc. (collectively, the “FairPoint Petitioning LECs”), rate-of-return regulated local exchange carrier (“LEC”) subsidiaries of FairPoint Communications, Inc. (“FairPoint”), hereby request that the Commission grant their request for bifurcated regulation, permitting the FairPoint Petitioning LECs to convert special access services from rate-of-return regulation to price cap regulation while permitting the FairPoint Petitioning LECs to remain subject to the rate-of-return timeline for transitioning their inter-carrier compensation (“ICC”) to bill-and-keep. The FairPoint Petitioning LECs request that the Commission grant limited waivers of its rules as necessary to permit them to convert the requested services to price cap regulation on or before January 1, 2013. For the reasons stated below, grant of the limited conversion of the FairPoint Petitioning LECs’ special access services to price cap regulation through grant of the waivers requested herein would further the public interest.

**I. BACKGROUND**

**A. FairPoint and the FairPoint Petitioning LECs**

FairPoint is a leading provider of a full range of communications services to residential and business customers including: local and long distance voice, data, Internet, television, and broadband services. FairPoint owns and operates 31 incumbent LECs serving 32 study areas in 18 states (See Attachment A). The twenty FairPoint Petitioning LECs provide local exchange and exchange access services in 22 rural study areas in New York, Massachusetts, Pennsylvania, Virginia, Georgia, Alabama, Florida, Ohio, Illinois, Missouri, Kansas, Oklahoma, Colorado, Idaho, and Washington. Each is classified as a cost-based rate-of-return regulated company in the interstate jurisdiction. These LECs participate in the National Exchange Carrier Association (“NECA”) traffic-sensitive pool (the “NECA Pool”), with the exception of two study areas where FairPoint Petitioning LECs have withdrawn their Digital Subscriber Line service (“DSL”)

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from the NECA Pool.<sup>1</sup> Of the remaining eleven FairPoint incumbent LECs, eight incumbent LECs already are subject to federal price cap regulation in seven study areas, including two companies operating three study areas acquired by FairPoint from Verizon Northern New England, which were mandatory price cap companies subject to CALLS,<sup>2</sup> and six additional FairPoint incumbent LECs operating in four study areas that elected price cap regulation in 2010 pursuant to FCC waiver.<sup>3</sup> There are three FairPoint LECs operating as average schedule companies under the Commission's rules.<sup>4</sup> At this time FairPoint proposes no changes to the regulation of these average schedule companies under the Commission's rules.

FairPoint is the only price cap carrier in the United States with rate-of-return affiliates that settle on a cost basis.<sup>5</sup> Prior to 2012, FairPoint's cost-based rate-of-return subsidiaries' interstate revenue requirement was based on cost studies, as required pursuant to Parts 32, 36,

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<sup>1</sup> Ellensburg Telephone Company and YCOM Networks, Inc. do not participate in the NECA DSL Tariff. These companies participate in the NECA pool for Common Line and other Traffic Sensitive services.

<sup>2</sup> See *Petition of FairPoint Communications, Inc. for Waiver of Sections 61.41(b) and (c) of the Commission's Rules*, Order, 23 FCC Rcd 892 (2008) (*2008 FairPoint Waiver Order*).

<sup>3</sup> See *Petition of Virgin Islands Telephone Corporation, for Election of Price Cap Regulation and Limited Waiver of Pricing and Universal Service Rules*; *China Telephone Company, FairPoint Vermont, Inc., Maine Telephone Company, Northland Telephone Company of Maine, Inc., Sidney Telephone Company, and Standish Telephone Company Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*; *Windstream Petition for Limited Waiver Relief*, Order, 25 FCC Rcd 4824 (2010) ("*Virgin Islands, FairPoint, Windstream Order*").

<sup>4</sup> See 47 C.F.R. § 61.41 (a)(3), (b), and (c)(3).

<sup>5</sup> Other price cap carriers have rate-of-return affiliates that operate under average schedules, not on a cost basis, including Windstream, CenturyLink, Frontier, and Consolidated. Notably, however, Consolidated has announced its intent to acquire SureWest Communications, which operates as a rate-of-return carrier on a cost basis. FairPoint also has rate-of-return affiliates that operate under average schedules. Those average schedule rate-of-return companies are not included in this Petition.

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and 69 of the FCC's Rules.<sup>6</sup> Through these cost studies a portion of the regulated costs for these rate-of-return companies were assigned to the interstate jurisdiction and then to access services, and subject to FCC cost recovery mechanisms, including NECA pool procedures. As further described below, with the effectiveness of the *CAF/ICC Transformation Order* and changes in the Commission's rules, cost studies no longer apply to approximately 80% of FairPoint's rate-of-return company interstate operations, but now apply only to interstate special access services. This situation is unique to FairPoint as the only price cap carrier having rate-of-return affiliates that operate on a cost basis of settlements. With the adoption of the Connect America Fund ("CAF") and the use of the ICC transition for rate-of-return carriers, there is a need to develop a reasonable method of allowing the FairPoint Petitioning LECs to convert their remaining rate-of-return-regulated services to price cap regulation.

**B. Previous Grants of Authority to Convert Price Cap Regulation**

The Commission has concluded that price cap regulation, which provides incentives for carriers to maintain and enhance efficient operations, is preferable to legacy rate-of-return regulation for many LECs.<sup>7</sup> Accordingly, Section 61.41(a)(3) of the Commission's rules explicitly allows rate-of-return carriers not participating in the NECA Pool to convert to price cap regulation on an elective basis.<sup>8</sup> However, the Commission's rules do not provide an explicit process by which existing rate-of-return carriers that participate in the NECA Pool may convert

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<sup>6</sup> The Commission's *CAF/ICC Transformation Order* became effective on December 29, 2011. See *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 10-90 *et al.*, FCC 11-161 (rel. Nov. 18, 2011) (*CAF/ICC Transformation Order*), 76 Fed. Reg. 73830 (Nov. 29, 2011).

<sup>7</sup> See *Policy and Rules Concerning Rates for Dominant Carriers*, Second Report and Order, 5 FCC Rcd 6786, at ¶ 21 (1990) ("LEC Price Cap Order"). See also *CAF/ICC Transformation Order* at ¶ 814.

<sup>8</sup> See 47 C.F.R. § 61.41(a)(3).



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to price cap regulation, nor do they address how to treat the switched access ICC transition for rate-of-return carriers, which are no longer subject to cost-based compensation.<sup>9</sup>

In recent years the Commission has granted numerous other midsize carriers permission to convert from rate-of-return regulation to price cap regulation in accordance with principles established in the *CALLS Order*.<sup>10</sup> In those cases, the Commission and industry had to develop a new method of converting to price cap regulation as the *CALLS Order* did not provide a path. The Commission permitted the requesting carriers to convert from rate-of-return regulation to price cap regulation by establishing initial price cap indices (“PCIs”) for their price cap baskets, and freezing interstate common line support (“ICLS”) at then-current per-line levels.<sup>11</sup> In those

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<sup>9</sup> As discussed further below, special access services are the only remaining services that can be converted to price cap regulation.

<sup>10</sup> See *ACS of Alaska, Inc., ACS of Anchorage, Inc., ACS of Fairbanks, Inc. and ACS of the Northland, Inc., Petition for Conversion to Price Cap Regulation and Limited Waiver Relief*, Order, 24 FCC Rcd 4664 (2009) (“*ACS Order*”); *CenturyTel, Inc., Petition for Conversion to Price Cap Regulation and Limited Waiver Relief*, 24 FCC Rcd 4677 (2009); *Petition of Puerto Rico Telephone Company, Inc. for Election of Price Cap Regulation and Limited Waiver of Pricing and Universal Service Rules; Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief; Frontier Petition for Limited Waiver Relief upon Conversion of Global Valley Networks, Inc., to Price Cap Regulation*, Order, 23 FCC Rcd 7353 (2008) (“*PRTC Order*”); *Windstream Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, Order, 23 FCC Rcd 5294 (2008) (“*Windstream Order*”); *Virgin Islands, FairPoint, Windstream Order* (collectively “*Price Cap Conversion and Waiver Orders*”).

<sup>11</sup> In the *Price Cap Conversion and Waiver Orders* the Commission also allowed carriers to target their average traffic-sensitive (“ATS”) rates to the applicable target specified in Section 61.3(qq) of the Commission’s rules. 47 C.F.R. § 61.3(qq). See *ACS Order* at ¶ 18; *CenturyTel Order* at ¶ 13; *PRTC Order* at ¶ 21; *Windstream Order* at ¶ 18; *Virgin Islands, FairPoint, Windstream Order* at ¶ 15. The Commission also permitted these carriers to retain ICLS based on their per-line disaggregated ICLS amounts in the year preceding conversion to price cap status, frozen at those per-line levels on a going-forward basis, with aggregate annual ICLS support capped at an amount equal to overall ICLS in the year preceding conversion to price cap status (after application of any required true-ups). See *ACS Order* at ¶ 20; *CenturyTel Order* at ¶ 18; *PRTC Order* at ¶ 23; *Windstream Order* at ¶ 20; *Virgin Islands, FairPoint, Windstream Order* at ¶ 21.

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instances, the price cap converted carriers remained under the rate-of-return cost-based rules for local switching support (“LSS”) and high-cost loop support (“HCLS”) due to their classification as rural carriers.

In the instant Petition, the conversion would be equally consistent with the principles of price cap regulation, resulting in no portion of the FairPoint Petitioning LECs’ recovery occurring based on costs or cost studies. For this reason, the plan proposed by the FairPoint Petitioning LECs contains no remaining incentives for these carriers to shift costs from one area to another, as no portion of their interstate compensation will be based on current cost studies.<sup>12</sup>

**C. FairPoint’s 2008 and 2010 “All-or-Nothing” Rule Waivers**

On January 25, 2008, the Commission authorized FairPoint to acquire Verizon’s exchanges in Maine, New Hampshire, and Vermont.<sup>13</sup> Because the study areas acquired from Verizon were subject to interstate price cap regulation, while FairPoint’s legacy study areas were subject to rate-of-return regulation, FairPoint sought and obtained a waiver of the Commission’s “all-or-nothing” rule to maintain rate-of-return regulation for its legacy LECs, while operating

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<sup>12</sup> Notably, under the FairPoint proposal, special access rates would be re-initialized at the modified 2011 special access revenue requirements, which would have some relation to historical costs, but not to current costs, thereby eliminating any potential for “gaming” since it would not be possible to move costs from one jurisdiction or one company to another. Similarly, under FairPoint’s proposal, all of its common line costs would be subject to the rules in the *CAF/ICC Transformation Order*, which for CAF Phase I are based on historical support for 2011 and for CAF Phase II are based on a forward-looking cost model. Thus it would not be possible to affect common line compensation by moving costs from one jurisdiction to another. Further, under FairPoint’s proposal, all of its switched access costs would be subject to the rate-of-return carrier ICC transition plan, which is based on FY2011 costs and revenues. Thus it would not be possible to affect switched access compensation by moving costs from one jurisdiction to another.

<sup>13</sup> See *Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and its Subsidiaries to FairPoint Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 514 (2008) (“*FairPoint Merger Order*”).

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the study areas acquired from Verizon under price cap regulation.<sup>14</sup> Because FairPoint's legacy rate-of-return LECs serve rural areas with low population densities and face a variety of market conditions, FairPoint relied on rate-of-return regulation to maintain efficient operations and provide rate stability in those markets.<sup>15</sup>

In granting the 2008 waiver request, the Commission agreed that it should be "sensitive to the needs of smaller carriers" – namely, FairPoint's legacy rate-of-return LECs – and that it would be "inappropriate" to require those carriers to convert to interstate price cap regulation.<sup>16</sup> The Commission also acknowledged that the requested waiver would be consistent with the underlying policy objectives of the "all-or-nothing" rule, and that the benefits flowing from the waiver outweighed any risk that FairPoint would attempt to "game" the system.<sup>17</sup> Finally, the Commission expressed reluctance to apply the "all-or-nothing" rule to the transaction when ongoing proceedings might lead to the rule's modification or elimination.<sup>18</sup>

In 2010, FairPoint petitioned the Commission to convert certain of its legacy rate-of-return LECs in Maine and Vermont to price cap regulation in order to more closely align all of its LEC operations and rate structures in northern New England. FairPoint stated that this limited conversion of LECs in the same states as its price cap study areas would enable the

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<sup>14</sup> 2008 FairPoint Waiver Order at ¶ 1.

<sup>15</sup> See *Petition of FairPoint Communications, Inc. for Waiver of Sections 61.41(b) and (c) of the Commission's Rules*, Petition for Waiver, WC Docket No. 07-66 at 7-8 (Feb. 21, 2007) (*FairPoint Waiver Petition*).

<sup>16</sup> 2008 FairPoint Waiver Order at ¶ 6.

<sup>17</sup> *Id.* at ¶ 7.

<sup>18</sup> *Id.* at ¶ 9. See *MAG Second Further Notice* at ¶ 10 ("We defer further action on the all-or-nothing rule until we have reviewed the record compiled in response to the further notice that we also issue today.")



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legacy FairPoint LECs in those states to become more efficient, innovative, and productive.<sup>19</sup> At that time, FairPoint also sought a limited waiver of the Commission's "all-or-nothing" rule, consistent with the waiver granted in 2008, so that FairPoint's rate-of-return LECs in states outside of Maine, New Hampshire and Vermont would remain subject to rate-of-return regulation.<sup>20</sup> The Commission granted FairPoint's 2010 petition to convert six of its northern New England rate-of-return LECs to price cap regulation, as well as the request for a limited waiver of the Commission's "all-or-nothing" rule, noting that its grant was consistent with the Commission's findings in the previous "all-or-nothing" waiver granted in 2008.<sup>21</sup>

The conversions and waivers discussed above were necessary and appropriate to align FairPoint's operations and gain efficiencies as well as to accommodate concerns related to the predominantly rural nature of the company as a whole. The rural nature of FairPoint as a whole has not changed, even though the *CAF/ICC Transformation Order* treats FairPoint in some respects like a larger company than it is. While the acquisition of Verizon northern New England lines more than sextupled the size of FairPoint, these northern New England lines represented merely 3.4 percent of Verizon's landlines. FairPoint remains a modest-sized, rural telephone company, hardly comparable to companies like Verizon, CenturyLink, Frontier, and AT&T in its ability to absorb massive revenue shifts such as those recently adopted by the Commission, as discussed in the next section.

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<sup>19</sup> See *China Telephone Company, FairPoint Vermont, Inc., Maine Telephone Company, Northland Telephone Company of Maine, Inc., Sidney Telephone Company, and Standish Telephone Company, Each a Debtor-in-Possession*, Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, WC Docket No. 10-47 (Feb. 18, 2010) ("*FairPoint 2010 Petition*").

<sup>20</sup> See *id.*

<sup>21</sup> See *Virgin Islands, FairPoint, Windstream Order* at ¶¶23-25.

**D. The CAF/ICC Transformation Order**

The Commission's recent *CAF/ICC Transformation Order* significantly altered the landscape of federal rate regulation.

First, an entirely new regulatory regime for interstate and intrastate switched access services is established, for both price cap and rate-of-return LECs. The *CAF/ICC Transformation Order* caps all interstate and intrastate switched access charges at current levels, and establishes a multi-year transition for most interstate switched access rates to zero or bill-and-keep.<sup>22</sup> For all incumbent LECs, the Commission has severed the connection between costs and switched access rates, ordered the elimination of differences between interstate and intrastate switched access rates, and mandated either bill-and-keep or substantially reduced levels for most switched access rate elements. *Significantly, for all price cap LECs' switched access services, the Commission eliminated the rate flexibility that was the hallmark of its price cap regime.* The *CAF/ICC Transformation Order* effectively sets all LECs on a fixed course to bill-and-keep for their interstate switched access rates, and eliminates the relevance of the prior price cap and rate-of-return regulations for switched access rates.

As highlighted above, the switched access offerings of the FairPoint Petition LECs are no longer subject to rate-of-return regulation. Instead, the Commission explicitly adopted the same ICC transition plan for rate-of-return carriers that are affiliated with price cap carriers as it did for all other rate-of-return carriers.<sup>23</sup> Under the rules that apply to the study areas of these price cap-affiliated rate-of-return carriers, a FY2011 Baseline is calculated based on the estimated

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<sup>22</sup> See *CAF/ICC Transformation Order* at ¶801.

<sup>23</sup> See *CAF/ICC Transformation Order* at ¶ 801.

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2011 interstate switched access revenue requirement plus the transitioned state access revenues and net reciprocal compensation for the 12 months ending September 30, 2011.

Second, the Commission adopted three different forms of transitional revenue replacement mechanisms, for three different classes of incumbent LEC: (i) LECs that were subject to price caps at the time of the CALLS Order, (ii) LECs that elected price caps more recently, and (iii) LECs still regulated under rate-of-return regulation.<sup>24</sup> Although the *CAF/ICC Transformation Order* does not explicitly acknowledge a fourth category, there is a fourth category of LECs, specifically rate-of-return carriers affiliated with price cap carriers that are regulated under both rate-of-return and price cap regulation.<sup>25</sup> In general, however, the Commission has observed that rate-of-return carriers “are generally smaller and less able to respond to changes in market conditions than are price cap carriers,” and has specifically found the recovery mechanism it adopted for rate-of-return carriers to be “necessary to provide a reasonable transition from the existing intercarrier compensation system.”<sup>26</sup>

As a practical matter, the result of the Commission’s *CAF/ICC Transformation Order* is that approximately 80% of the FairPoint interstate rate-of-return revenues have already been converted to a form of price cap regulation. More accurately, neither rate-of-return nor price cap regulation exists for the common line and switched access services of FairPoint’s rate-of-return carriers. The previous price cap rules for common line and switched access have been replaced by rate caps, CAF provisions, and ICC transitions. Only the special access services of the FairPoint Petitioning LECs remain subject to rate-of-return regulation. Importantly, too, under

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<sup>24</sup> See *CAF/ICC Transformation Order* at ¶¶851, 884, 892.

<sup>25</sup> This last category of LECs is characterized by having neither interstate common line nor switched access revenues subject to revenue requirement calculations after December 31, 2011.

<sup>26</sup> See *CAF/ICC Transformation Order* at ¶891.



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the Commission's new rules, price cap carriers are subject to price cap regulation only for their special access services. As a result, FairPoint's request to convert only the regulation of the special access services offered by its rate-of-return companies to price cap regulation is completely consistent with the new operating environment of the FairPoint Petitioning LECs under the provisions of the *CAF/ICC Transformation Order* as well as the Commission's new rules. It is simply no longer possible, under current FCC rules, to convert switched access services to price cap regulation. Therefore, the question is not whether the FairPoint Petitioning LECs ought to convert to price cap regulation for switched access services, but whether they ought to adopt the ICC transition schedule designated for price cap carriers instead of the ICC transition schedule for rate-of-return carriers.

Furthermore, as a result of the provisions in the Commission's *CAF/ICC Transformation Order* for regulation of rate-of-return affiliates of price cap carriers, which uniquely applies to FairPoint, the FairPoint Petitioning LECs find themselves in the position of having involuntarily converted 80% of their interstate operations away from rate-of-return regulation, yet they still are obligated to perform complete cost studies, at an estimated cost of \$750,000 annually, in order to support approximately [REDACTED] of interstate special access revenue requirement. Since the full cost study process is required in order to determine the special access revenue requirements, FairPoint must continue preparing full cost studies, subject to USAC audits, NECA pooling, and other associated compliance obligations, for only a relatively small percentage of its interstate operations.<sup>27</sup> This is simply not an effective use of FairPoint's scarce resources.

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<sup>27</sup> The nature of separations and access cost allocations require the full cost study process. For example, in order to ensure the correct interoffice costs are allocated to special access, all

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Third, the *CAF/ICC Transformation Order* terminates the ICLS mechanism and other forms of high-cost support for price cap carriers, and replaces these support mechanisms with a newly established mechanism, CAF Phase I support.<sup>28</sup> CAF Phase I support is calculated in part based on frozen ICLS support as well as other previous support mechanisms, but it is subject to a new set of obligations and limitations.<sup>29</sup> *Unlike all other rate-of-return regulated LECs, rate-of-return regulated LECs that are affiliated with price cap carriers are subject to the same new regime for high-cost support price cap LECs as their price cap affiliates.*<sup>30</sup> For federal high-cost support purposes, the FairPoint Petitioning LECs *already are* subject to the price cap rules.

Under the *FCC CAF/ICC Transformation Order*, the common line and switched access revenues for FairPoint's rate-of-return subsidiaries are no longer associated with their current costs in any way.<sup>31</sup> These rate-of-return subsidiaries are eligible for CAF support under the rules established for price cap carriers and are not eligible for any form of universal service funding or common line settlements that continue to be available to other rate-of-return carriers.<sup>32</sup> Based on estimates filed in the *Connect America Fund* proceeding, FairPoint expects a significant reduction in the amount of high-cost universal service funding available to its rate-of-return

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interoffice facilities and services must be analyzed. The same is true for loop studies and other types of plant studies.

<sup>28</sup> See *CAF/ICC Transformation Order* at ¶ 133.

<sup>29</sup> See *CAF/ICC Transformation Order* at ¶¶ 146-147.

<sup>30</sup> See *CAF/ICC Transformation Order* at ¶ 129.

<sup>31</sup> See generally *CAF/ICC Transformation Order* at ¶ 196.

<sup>32</sup> See *CAF/ICC Transformation Order* at ¶¶ 128-129, 133.

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study areas,<sup>33</sup> with an estimated reduction from the 2011 level of funding of

[REDACTED] to approximately

[REDACTED] under the CAF.<sup>34</sup>

Finally, the *CAF/ICC Transformation Order* explicitly declined to adopt changes to interstate rate regulations for special access services.<sup>35</sup> Thus, unlike switched access, special access services alone remain subject to the Commission's existing price cap regulations. In the Commission's recent *CAF/ICC Transformation Order* it has continued to recognize the benefits that flow from the adoption of price cap regulation.<sup>36</sup> While the Commission "continues to encourage carriers to undergo such conversions," it also recognizes that it will need to address the application of its universal service and intercarrier compensation reforms "based on the individualized situation of the carrier seeking to convert to price cap regulation."<sup>37</sup> The FairPoint Petitioning LECs' proposal is responsive to and consistent with the many reforms to universal service and intercarrier compensation embodied in the *CAF/ICC Transformation Order*.

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<sup>33</sup> FairPoint further stresses that the reduced level of potential CAF funding is subject to significant limitations and comes with costly broadband performance obligations on top of FairPoint's existing eligible telecommunications carrier ("ETC") obligations.

<sup>34</sup> Although the Wireline Competition Bureau has not yet adopted a cost model for CAF settlement for rate-of-return carriers, there was only one cost model on file with the Commission when FairPoint evaluated the need to convert the special access services of its rate-of-return carriers to price cap regulation and that model generated the estimated impacts on FairPoint's rate-of-return carriers. Both USTelecom and Alaska Communications Systems Group, Inc. have since filed new cost models, however neither model would improve the significant reduction in CAF support that FairPoint's rate-of-return carriers would receive.

<sup>35</sup> See *CAF/ICC Transformation Order* at n. 1752.

<sup>36</sup> See *CAF/ICC Transformation Order* at ¶ 814.

<sup>37</sup> *CAF/ICC Transformation Order* at ¶ 814.



## **II. THE FAIRPOINT PETITIONING LECs' PROPOSAL**

The FairPoint Petitioning LECs, which currently are subject to cost-based rate-of-return regulation in the interstate jurisdiction, wish to elect price cap regulation on a limited basis for their special access services. Specifically, the FairPoint Petitioning LECs propose that the Commission bifurcate the regulation of their special access services and interstate switched access services, by allowing the conversion of their special access services to price cap regulation in a manner consistent with previous price cap conversions authorized by the Commission, and allowing their interstate switched access services to continue on the current schedule for the rate-of-return LECs' transition to bill-and-keep under the *CAF/ICC Transformation Order*.

As noted above, the Commission's rules do not provide a clear path for rate-of-return-regulated LECs receiving ICLS to elect price cap regulation, nor do they address the concept of bifurcated rate regulation based on the type of services offered. However, the Commission continues to encourage conversion to price cap regulation, and FairPoint's proposal is consistent with the policies espoused in the *CAF/ICC Transformation Order*. To the extent the FairPoint Petitioning LECs are proposing to convert their special access services to price cap regulation, their proposal is similar to other proposals for carriers converting from rate-of-return regulation that have been approved by the Commission. The FairPoint Petitioning LECs' proposal includes processes for initializing PCIs for the special access price cap basket. The remainder of the FairPoint Petitioning LECs' proposal is very much a product of the significant reforms that are

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being implemented for universal service and intercarrier compensation as a result of the Commission's *CAF/ICC Transformation Order*.<sup>38</sup>

**A. Special Access Conversion**

The only services that the FairPoint Petitioning LECs propose to convert to price cap regulation are their interstate special access services. Indeed, special access services are the only remaining services for which it is possible to convert to price cap regulation. The FairPoint Petitioning LECs' proposal follows the process that FairPoint's northern New England rate-of-return carriers submitted in 2010 in this respect. Because the FairPoint Petitioning LECs' current rates are pooled rates, not based on their own costs, their special access rates would be initialized to target the authorized rate-of-return of 11.25%, based on 2011 base period costs and demand, and then adapted to the price cap rate structure. This approach to setting initial PCIs for the special access basket is consistent with the manner in which special access rates were initialized in previous price cap conversions.<sup>39</sup>

The FairPoint Petitioning LECs also propose, in reinitializing special access rates based on 2011 costs, to eliminate from their 2011 actual costs the portion of cost study fees that would be assigned to special access services through Part 36 and Part 69 allocation rules.<sup>40</sup> Following the changes made to switched access services in the Commission's *CAF/ICC Transformation Order*, there is no longer a need to perform cost studies for common line or switched access

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<sup>38</sup> See generally *CAF/ICC Transformation Order*.

<sup>39</sup> See *CenturyTel Order* at ¶ 14; *Windstream Order* at ¶ 18; *PRTC Order* at ¶ 21; *Virgin Islands, FairPoint, Windstream Order* at ¶ 18.

<sup>40</sup> This proposed productivity dividend is conditioned on the Commission's approval for the FairPoint Petitioning LECs to discontinue performing cost studies, or at a minimum the Commission's direction that the FairPoint Petitioning LECs need only use frozen categories and factors in any cost study.

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services, apart from ongoing reporting requirements. Absent a conversion to price cap regulation, cost studies would still be required for special access services and only for special access services at a cost of approximately \$750,000 annually. Under the Commission's Part 36 rules, the full amount of such cost studies may be apportioned to interstate access services. However, as an added public benefit of this petition, the FairPoint Petitioning LECs propose to apply a portion of the costs of the cost studies that would be required under rate-of-return regulation, specifically the portion designated for special access services,<sup>41</sup> as a consumer dividend to special access customers, resulting in an estimated additional 1.5% decrease in special access rates in the affected study areas.

**B. Universal Service Support**

In previous petitions to convert from rate-of-return regulation to price cap regulation, petitioners have addressed the need to ensure the continuation of universal service support, stressing that the petitioners' ability to realize the public interest benefits of the conversion to price cap regulation depended upon their continued receipt of some high-cost universal service support. In the past this has meant that petitioners requested, and the Commission permitted, converting carriers to continue receiving ICLS support set at a frozen per-line amount.<sup>42</sup> Explaining that rate-of-return carriers converting to price cap regulation are not eligible for interstate access support ("IAS") established in the *CALLS Order*, the Commission has recognized that "absent Commission intervention, the requested conversions to price cap regulation could result in the loss of explicit support by these carriers to offset the interstate

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<sup>41</sup> This apportioning would be made pursuant to the Commission's Part 69 rules.

<sup>42</sup> See *Virgin Islands, FairPoint, Windstream Order* at ¶ 20.



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portion of their loop costs that are not recovered through interstate access charges.”<sup>43</sup> In the instant petition, however, there is no need to make a request for the continuation of ICLS support at a frozen per-line amount because the Commission’s *CAF/ICC Transformation Order* has already addressed how rate-of-return carriers that are affiliated with price cap carriers will receive high-cost support in the short term, as well as what they are eligible for in the way of high-cost support in the long term.<sup>44</sup> The Commission’s creation of the CAF Phase I mechanism will, for most carriers, preserve their current ICLS frozen at 2011 levels for at least calendar year 2012, then give price cap LECs the opportunity to replace CAF Phase I support with CAF Phase II support, provided they undertake the broadband performance obligations that go with it. FairPoint proposes no change to its eligibility for support under these mechanisms at this time.

The shift in the availability of high-cost support for which rate-of-return carriers that are affiliated with price cap carriers are eligible is an important factor in the FairPoint Petitioning LECs’ decision to seek to convert to price cap regulation. Quite simply, the expected reduction over time in universal service support for these carriers necessitates that they reduce administrative expenses where they can and seek greater regulatory flexibility that will enhance efficient and innovative operations, resulting in lower overall rates for consumers and promoting

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<sup>43</sup> *Virgin Islands, FairPoint, Windstream Order* at ¶ 19.

<sup>44</sup> See *CAF/ICC Transformation Order* at ¶ 129 (“Consistent with our goal of providing support to price cap companies on a forward-looking cost basis, rather than based on embedded costs, we will, for the purposes of CAF Phase I, treat as price cap carriers the rate-of-return operating companies that are affiliated with holding companies for which the majority of access lines are regulated under price caps. That is, we will freeze their universal service support and consider them as price cap areas for the purposes of our new CAF Phase I distribution mechanism.”). See also *CAF/ICC Transformation Order* at n. 253 (“For purposes of CAF Phase II, consistent with our approach in CAF Phase I, we will treat as price cap carriers the rate-of-return operating companies that are affiliated with holding companies for which the majority of access lines are regulated under price caps. A ‘price cap territory’ therefore includes a study area served by a rate-of-return operating company affiliated with price cap companies.”).

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greater competition with opportunities to grow revenue. Grant of this petition is expected to save FairPoint approximately \$750,000 per year in administrative costs associated with the cost studies it must perform under the Commission's rules for rate-of-return carriers.<sup>45</sup>

**C. No Changes to CMT, Traffic-Sensitive, or Trunking Baskets**

Unlike petitions for price cap conversions in the past, which set forth proposals to convert rate-of-return switched access charges using price cap revenues for the common line, marketing, and residual interconnection charges ("CMT") and based on establishing actual price indices, service categories, and service band indices according to the price cap traffic-sensitive and trunking baskets for each study area, there is now no basis to make such an access charge conversion proposal. As a result of the changes to interstate access charges for price cap carriers that have been implemented by the *CAF/ICC Transformation Order*, price cap carriers no longer will have the freedom to make changes to their interstate switched access elements. The rates in the CMT basket, traffic-sensitive basket and trunking basket will be capped and ultimately reduced to zero in the transition to bill-and-keep for intercarrier compensation.<sup>46</sup> FairPoint proposes no changes to those rates in connection with this petition.

In theory, rate-of-return carriers seeking to convert to price cap regulation could adopt the price cap carrier schedule for reducing access rates to zero, but there are important policy reasons that urge against this accelerated schedule for those rate-of-return carriers converting to price cap regulation. While the Commission has treated rate-of-return carriers like price cap carriers for purposes of high-cost support from the Connect America Fund when they are affiliated with

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<sup>45</sup> See Declaration of Michael T. Skrivan, Attachment B, at ¶ 7.

<sup>46</sup> See 47 C.F.R. § 51.907, which became effective on December 29, 2011, and which sets for the steps for reducing all price cap carriers' access rates to zero.

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price cap carriers,<sup>47</sup> the Commission has not treated rate-of-return carriers like price cap carriers in the *CAF/ICC Transformation Order* for purposes of access charge reform. Specifically, instead of a six-year transition to bill-and-keep for intercarrier compensation that was set for price cap carriers, the Commission has set a nine-year transition to bill-and-keep for rate-of-return carriers as “an appropriate balance that will moderate potential adverse effects on consumers and carriers of moving too quickly from the existing intercarrier compensation regimes.”<sup>48</sup> FairPoint agrees that a more moderate transition is needed for its rate-of-return carriers, particularly because the areas they serve remain geographically dispersed, serving smaller coverage areas with low average population density.

There are also important business economic reasons for not requiring rate-of-return carriers that are affiliated with price cap carriers to be treated like price cap carriers for the ICC transition. Specifically, accelerating the ICC transition to six years instead of the scheduled nine years permitted for these rate-of-return carriers would result in significant loss of critical revenue at a time when these companies will already be struggling to serve particularly rural and high-cost areas while adapting to a new universal service and ICC regime that will limit their financial resources. Again, FairPoint is uniquely situated as the only price cap company with rate-of-return affiliates that settle on a cost basis, and therefore the only mid-size carrier that would experience these kind of losses if it was required to accelerate the ICC transition for its rate-of-return companies. FairPoint has estimated that accelerating the ICC transition schedule for its rate-of-return companies to the six-year schedule for price cap companies would eliminate approximately [REDACTED] from their

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<sup>47</sup> See *supra* at II.B.

<sup>48</sup> *CAF/ICC Transformation Order* at ¶ 801.



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CAF-ICC funding over a five year period and also would eliminate approximately

[REDACTED] of ICC-related eligible revenue  
(i.e., Access Recovery Charge revenue) over the same five years, for a combined impact of  
approximately [REDACTED] in lost  
revenue.

For these reasons, the FairPoint Petitioning LECs are requesting that the Commission permit them to adopt price cap regulation for interstate special access services while remaining on the existing rate-of-return schedule for transitioning their switched access rates to the bill-and-keep regime.<sup>49</sup> Moreover, the FairPoint Petitioning LECs' request to convert their special access services to price cap regulation is conditioned on the Commission's grant of this request for the FairPoint Petitioning LECs to remain on the schedule set forth in the Commission's new rule section 51.909 for rate-of-return carriers to transition to bill-and-keep.<sup>50</sup>

**III. GRANT OF THE LIMITED PRICE CAP CONVERSION AND REQUESTED  
WAIVERS WOULD SERVE THE PUBLIC INTEREST**

As discussed above, the Commission has a long-standing position that favors conversion of rate-of-return carriers to price cap regulation. In general the Commission has found conversion to price cap regulation to be in the public interest. Specifically, the "Commission concluded in 1990 that incentive-based regulation is preferable to rate-of-return regulation. [It

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<sup>49</sup> See 47 C.F.R. § 51.909.

<sup>50</sup> If the Commission grants this request to permit the converting rate-of-return carriers to remain under the rate-of-return intercarrier compensation plan for switched access, the FairPoint Petitioning LECs would remain in the NECA Pool, pursuant to a Commission waiver to do so, or would be required to file their own rate-of-return based tariffs for switched access services. However, the latter would undoubtedly cause the FairPoint Petitioning LECs' switched access rates to increase, at least for certain study areas, which may also require a Commission waiver. Accordingly, FairPoint's preference is to keep its switched access rates in the NECA Pool.

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also] found that several benefits would flow from the adoption of price cap regulation, including incentives for carriers to become more productive, innovative, and efficient. The Commission also found that price cap regulation is likely to benefit consumers directly or indirectly through lower access prices.”<sup>51</sup>

These benefits all will be realized with the FairPoint Petitioning LECs’ proposed special access price cap conversion. Specifically, by reinitializing special access rates based on 2011 cost and demand, the FairPoint Petitioning LECs expect their special access rates to be reduced by approximately 50%.<sup>52</sup> The conversion of special access services to price cap regulation will also eliminate the need for the FairPoint Petitioning LECs to perform cost studies, thereby significantly reducing the companies’ administrative costs. The special access customers of these FairPoint Petitioning LECs will experience additional savings because FairPoint proposes to apply the administrative savings from the costs that would be apportioned to special access services to their customers in the form of a consumer dividend. Furthermore, in converting the special access services to price cap regulation, the study areas of the FairPoint Petitioning LECs would qualify for deregulation of broadband Internet access service, which the Commission has previously found to be in the public interest.<sup>53</sup> Finally, there is no harm to consumers by

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<sup>51</sup> *Virgin Islands, FairPoint, Windstream Order* at ¶ 8 (internal citations omitted).

<sup>52</sup> See Declaration of Michael T. Skrivan, Attachment B, at ¶ 8.

<sup>53</sup> See *Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, 20 FCC Rcd 14853, at ¶ 130 (2005) (“we allow the non-common carrier provision of wireline broadband Internet access transmission that we previously have treated as regulated, interstate special access service”).

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allowing the FairPoint Petitioning LECs to continue to reduce their access charges pursuant to the rate-of-return schedule as set forth in the Commission's new rule § 51.909.<sup>54</sup>

The Commission has recognized the unique needs of rate-of-return carriers, including those affiliated with price cap carriers, specifically guarding against "adverse effects on consumers and carriers of moving too quickly from the existing intercarrier compensation regimes."<sup>55</sup> Beyond the benefits to customers of rate-of-return carriers by allowing the FairPoint Petitioning LECs to maintain the rate-of-return schedule for the transition of their switched access rates to bill-and-keep, existing FairPoint price cap company customers would also avoid undue rate increases. This is because keeping the rate-of-return carriers' ARC calculation separate from the FairPoint price cap ARC calculation will help prevent FairPoint's existing price cap carriers from raising their end-user rates more than would otherwise be necessary to cover the lost ICC revenue associated with a price cap ICC transition schedule. These many consumer benefits support a Commission finding that the proposed limited price cap conversion is in the public interest.

FairPoint is aware that the Commission has an open docket to address special access services provided by price cap carriers, and recognizes that the Commission may modify its special access rules in that proceeding in such a manner that may impact the FairPoint Petitioning LECs should the instant petition be granted. Nevertheless, FairPoint is prepared to move forward with conversion for the reasons identified in this Petition and believes the public

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<sup>54</sup> Nor is there anything in the Commission's new rules or in the text of the *CAF/ICC Transformation Order* that would limit the FairPoint Petitioning LECs from continuing on the rate-of-return schedule for the ICC transition even if these companies are otherwise converting to price cap regulation.

<sup>55</sup> *CAF/ICC Transformation Order* at ¶ 801.



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interest will be served for the reasons cited. There is no reason to prevent FairPoint from benefitting from price cap regulation for special access services in the same manner as has been permitted for other FairPoint subsidiaries, as well as CenturyLink, AT&T, Verizon, and many other midsize carriers.<sup>56</sup>

The Commission may waive its rules for “good cause shown.”<sup>57</sup> More specifically, the Commission may exercise its discretion to waive a rule where special circumstances warrant a deviation from the general rule and such deviation would serve the public interest.<sup>58</sup> The Commission may take into account consideration of hardship, equity, or more effective implementation of overall policy on an individual basis.<sup>59</sup> The FairPoint Petitioning LECs’ waiver requests meet this standard.

**A. Limited Waiver of the Commission’s “All-or-Nothing” Rule**

Pursuant to the Commission’s waiver of its rules § 61.41(b) and (c), FairPoint operates under both price cap and rate-of-return regulation in the interstate jurisdiction. With the

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<sup>56</sup> In allowing the FairPoint Petitioning LECs to convert to price cap regulation and be regulated like other price cap carriers, the FairPoint Petitioning LECs would also be allowed to elect to deregulate broadband Internet access services (“BBIAS”) and thereby would be put on a similar competitive footing with respect to their broadband competitors. The Commission has already found this elective deregulation of BBIAS to be in the public interest. *See Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities*, 20 FCC Rcd 14853 (2005). Allowing the FairPoint Petitioning LECs to make this election would put them on a parity basis with their competitors and other price cap carriers with regard to universal service fund (“USF”) contribution fees for broadband Internet access services. This is an appropriate competitive benefit, particularly in light of the expected near-term overhaul of the USF contribution system.

<sup>57</sup> 47 C.F.R. § 1.3.

<sup>58</sup> *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969).

<sup>59</sup> *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

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exception of one average schedule FairPoint subsidiary in the northern New England region, all of FairPoint's operating LECs in Maine, New Hampshire, and Vermont operate under price cap regulation. Twenty FairPoint operating LECs in the other fifteen states where FairPoint provides service are subject to cost-based rate-of-return regulation. There are two other average schedule companies in these fifteen states. FairPoint seeks to convert all of its twenty cost-based rate-of-return LECs to price cap regulation, but only for the special access services they offer.

FairPoint seeks to keep these cost rate-of-return LECs on the rate-of-return schedule for transitioning access rates to bill-and-keep. While the Commission's rule on "all-or-nothing" does not contemplate partial price cap conversions based on services provided, the FairPoint Petitioning LECs seek a waiver of the Commission's rules in order to permit them to offer their special access services under price cap regulation, but also permit them to transition their access rates to bill-and-keep based on the rate-of-return schedule in the Commission's new rule § 51.909.<sup>60</sup> There is "good cause" to waive any perceived requirement that a carrier convert all of its services to price cap regulation. All carriers will ultimately transition their access charges to zero. The only variation would be the timing. The basis for the Commission's reasoning in permitting rate-of-return carriers, even those affiliated with price cap carriers, extra time to transition their access rates to bill-and-keep is equally applicable if the FairPoint Petitioning LECs convert their special access services to price cap regulation. As noted above, the FairPoint Petitioning LECs remain rural carriers, and the cost to the FairPoint Petitioning LECs of a forced transition on the price cap schedule would be excessive. Consumers and carriers operating in the FairPoint Petitioning LECs' rate-of-return study areas would be harmed by an accelerated movement to bill-and-keep. A longer transition period to bill-and-keep is merited.

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<sup>60</sup> FairPoint will remain in compliance with 47 C.F.R. § 69.3(i)(3).

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The Commission has concluded that incentive-based regulation is preferable to rate-of-return regulation.<sup>61</sup> It is not clear that the FairPoint Petitioning LECs can complete their conversion of special access services to price cap regulation absent the requested waiver due to lack of clarity in the Commission's rules. While Section 61.41(a)(3) of the Commission's rules permits carriers to convert rate-of-return study areas to price cap study areas,<sup>62</sup> there is no clear path by which a rate-of-return LEC can adopt price cap regulation, whether in whole or by services offered, as modified by the *CALLS Order*.<sup>63</sup> Moreover, the path to price cap regulation is even more murky as a result of the Commission's *CAF/ICC Transition Order*. A strict application of the Commission's rules would frustrate Commission policy as set forth in Section 61.41(a)(3), and is not possible in any case after the *CAF/ICC Transformation Order*. Grant of the requested waiver would serve to advance the Commission's preference for price cap regulation, and would permit the FairPoint Petitioning LECs to become more efficient, innovative, and productive.<sup>64</sup>

As was the case in 2008, the Commission has not released any further guidance regarding the modification or elimination of the "all-or-nothing" rule, and is unlikely to do so with so few carriers left under dual regulation.<sup>65</sup> Consistent with the Commission's position in 2008 and its policy goals on intercarrier compensation reform as stated in the *CAF/ICC Transformation Order*, it would not be in the public interest to require the FairPoint Petitioning LECs to convert

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<sup>61</sup> *LEC Price Cap Order* at ¶ 21.

<sup>62</sup> 47 C.F.R. § 61.41(a)(3).

<sup>63</sup> *See Windstream Order* at ¶ 8.

<sup>64</sup> *See LEC Price Cap Order* at ¶ 31.

<sup>65</sup> *See 2008 FairPoint Waiver Order* at ¶ 9; *MAG Second Further Notice* at ¶ 10.



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all of their services to regulations applicable to price cap carriers simply because the Commission has yet to design a general scheme for bifurcated regulation.

**B. Limited Waiver of the Commission's NECA Notification Rule**

To the extent necessary, the FairPoint Petitioning LECs seek waiver of Section 69.3(i)(1) of the Commission's rules so that they may notify NECA of their intent to withdraw from NECA tariffs on short notice and at a time that is different than the annual election to be effective July 1 of each year.<sup>66</sup> Good cause exists to waive Section 69.3(i)(1) because, absent a waiver, this procedural limitation would nullify any other relief granted. In its prior price cap conversion orders, the Commission found that there is good cause to allow a carrier to notify NECA of its intent to withdraw within 30 days after the Commission grants a petition to convert to price cap status if such withdrawal would not "impose an undue hardship on NECA."<sup>67</sup> Here, NECA will not suffer an undue hardship because it has actual notice of the FairPoint Petition LECs' request for waiver.<sup>68</sup>

**C. Limited Waiver of the Commission's Part 36 Rules**

The FairPoint Petitioning LECs seek a waiver of the rate-of-return separations requirements in the Commission's Part 36 rules by allowing the Petitioning LECs to use frozen separations categories in the same manner as permitted for price cap carriers effective July 1, 2001, as specified in Sections 36.3 (a) and (b) of the Commission's rules and as set forth in the

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<sup>66</sup> 47 C.F.R. § 69.3(i)(1) (requiring incumbent LECs that plan to withdraw from NECA tariffs to notify NECA of their intent to do so by March 1<sup>st</sup> of the tariff filing year in which they plan to leave the tariffs).

<sup>67</sup> See *ACS Order* at ¶¶ 23-24; *CenturyTel Order* at ¶ 20; *PRTC Order* at ¶¶ 26-27; *Windstream Order* at ¶¶ 23-24; *Virgin Islands, FairPoint, Windstream Order* at ¶ 27.

<sup>68</sup> See Declaration of Michael T. Skrivan, Attachment B, at ¶ 12.

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Commission's *Jurisdictional Separations Order*.<sup>69</sup> FairPoint would freeze the traffic categories based on study area and/or exchange specific separations allocation calculated during the twelve month period ending December 31, 2011, for each of the categories/sub-categories as specified in Part 36 for price cap carriers and would use these categories beginning January 1, 2012. Good cause exists to waive the cost study requirements of these rules because a strict application of these requirements would be contrary to the relief requested, and would no longer serve the purpose for which the rules were intended.

**IV. CONCLUSION**

For the foregoing reasons, the FairPoint Petitioning LECs request that the Commission, through the Wireline Competition Bureau, expeditiously grant the request to bifurcated regulation, by granting a limited conversion of the FairPoint Petitioning LECs' special access services to price cap regulation and by granting the waivers to permit them to convert on this limited basis to price cap regulation as of January 1, 2013, but also permitting the FairPoint Petitioning LECs to continue on the rate-of-return ICC transition to bill-and-keep.

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<sup>69</sup> See *Jurisdictional Separations and Referral to the Federal-State Joint Board*, Report and Order, 16 FCC Rcd 11382 (2001) (*Jurisdictional Separations Order*). FairPoint already operates under frozen traffic factors.

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Respectfully submitted,



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LECs*

March 1, 2012



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Attachment A

FairPoint Operating Subsidiaries (Incumbent LECs)

Bentleyville Communications Corporation	Fremont Telcom Co.
Berkshire Telephone Corporation	The Germantown Independent Telephone Company
Big Sandy Telecom, Inc.	GTC, Inc.
Bluestem Telephone Company	Maine Telephone Company
Chautauqua and Erie Telephone Corporation	Marianna and Scenery Hill Telephone Company
China Telephone Company	Northland Telephone Company of Maine, Inc.
Chouteau Telephone Company	Northern New England Telephone Operations LLC
Columbine Telecom Company	Odin Telephone Exchange, Inc.
The Columbus Grove Telephone Company	The Orwell Telephone Company
Community Service Telephone Co.	Peoples Mutual Telephone Company
C-R Telephone Company	Sidney Telephone Company
The El Paso Telephone Company	Standish Telephone Company
Ellensburg Telephone Company	Sunflower Telephone Company, Inc.
FairPoint Communications Missouri, Inc.	Taconic Telephone Corp.
FairPoint Vermont, Inc.	Telephone Operating Company of Vermont LLC
	YCOM Networks, Inc.

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Attachment B

DECLARATION OF MICHAEL T. SKRIVAN

I, Michael T. Skrivan, hereby make the following declarations, under penalty of perjury, in support of the foregoing Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief (“Petition”):

1. I am Vice President, Regulatory, for FairPoint Communications, Inc., and I am familiar with FairPoint’s local exchange and exchange access operations generally, and the accounting, pricing, and tariffing practices of its local exchange carrier (“LEC”) subsidiaries specifically.

2. FairPoint is the parent of a number of subsidiaries operating as LECs. These include Berkshire Telephone Corporation, Big Sandy Telecom, Inc., Bluestem Telephone Company, Chautauqua and Erie Telephone Corporation, Chouteau Telephone Company, Columbine Telecom Company, C-R Telephone Company, The El Paso Telephone Company, Ellensburg Telephone Company, FairPoint Communications Missouri, Inc., Fremont Telcom Co., The Germantown Independent Telephone Company, GTC, Inc., Marianna and Scenery Hill Telephone Company, Odin Telephone Exchange, Inc., The Orwell Telephone Company, Peoples Mutual Telephone Company, Sunflower Telephone Company, Inc., Taconic Telephone Corp., and YCOM Networks, Inc. (collectively, the “FairPoint Petitioning LECs”).

3. The FairPoint Petitioning LECs are twenty companies operating in twenty-two study areas and fifteen States.

4. Each of the FairPoint Petitioning LECs: (i) operates as a separate subsidiary of FairPoint; (ii) is currently regulated as a rate-of-return carrier under the rules of the Federal Communications Commission (“FCC”); (iii) is a participant in the NECA traffic sensitive pool.

5. Of FairPoint’s subsidiaries: (i) Berkshire Telephone Corporation (New York), Big Sandy Telecom, Inc. (Colorado), Bluestem Telephone Company (Kansas), Chautauqua and Erie Telephone Corporation (New York), Chouteau Telephone Company (Oklahoma), Columbine Telecom Company (Colorado), C-R Telephone Company (Illinois), The El Paso Telephone Company (Illinois), Ellensburg Telephone Company (Washington), FairPoint Communications Missouri, Inc. (Missouri), Fremont Telcom Co. (Idaho), The Germantown Independent Telephone Company (Ohio), GTC, Inc. (Alabama, Florida, and Georgia), Marianna and Scenery Hill Telephone Company (Pennsylvania), Odin Telephone Exchange (Illinois), Inc., The Orwell Telephone Company (Ohio), Peoples Mutual Telephone Company (Virginia), Sunflower Telephone Company, Inc. (Kansas and Colorado), Taconic Telephone Corp. (New York and Massachusetts), and YCOM Networks, Inc. (Washington) currently operate as rate-of-return carriers in the states that are identified parenthetically; (ii) China Telephone Company (Maine), Maine Telephone Company (Maine), Northland Telephone Company of Maine, Inc. (Maine and New Hampshire), Sidney Telephone Company (Maine), Standish Telephone Company (Maine), FairPoint Vermont, Inc. (Vermont), Northern New England Telephone Operations LLC (Maine and New Hampshire), Telephone Operating Company of Vermont LLC (Vermont) currently operate as price cap carriers in the states that are identified parenthetically; and (iii) Bentleyville

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Communications Corporation (Pennsylvania), The Columbus Grove Telephone Company (Ohio), and Community Service Telephone Co. (Maine) currently operate as average schedule carriers in the states identified parenthetically.

6. FairPoint seeks to convert the special access services of the FairPoint Petitioning LECs to price cap regulation. FairPoint also seeks a waiver of the Commission's "all-or-nothing" rule, to the extent required, so as to permit interstate switched access services to remain subject to the rate-of-return schedule for transition to bill-and-keep. Finally, FairPoint seeks to maintain Bentleyville Communications Corporation, The Columbus Grove Telephone Company, and Community Service Telephone Co. as average schedule carriers.

7. FairPoint expects that a conversion of the special access services offered by the FairPoint Petitioning LECs, in conjunction with relief to perform such cost studies with frozen separations categories, along with the already frozen traffic factors, would save FairPoint approximately \$750,000 per year in administrative costs that are associated with the cost studies it must perform under the Commission's rules for rate-of-return carriers.

8. FairPoint also expects that by reinitializing special access rates at 2011 cost and demand, the special access rates for the FairPoint Petitioning LECs will be reduced by approximately 50%.

9. If the Petition is granted, FairPoint would file a price cap tariff setting forth separate rates for special access services for each of the twenty-two covered study areas.

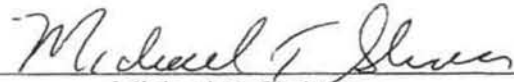
10. Once the special access services of the FairPoint Petitioning LECs are converted to price cap regulation, FairPoint has no intention of reverting those LECs back to rate-of-return regulation. The proposed conversion would provide the FairPoint Petitioning LECs with regulatory incentives to maintain and enhance efficient and innovative operations, and would result in lower overall rates for consumers. Reverting the special access services of the FairPoint Petitioning LECs to rate-of-return regulation would undo these benefits.

11. In order to facilitate the conversion of the FairPoint Petitioning LECs from rate-of-return regulation to price cap regulation on or before January 1, 2013, the FairPoint Petitioning LECs would request approval of their Petition by July 1, 2012. FairPoint requests conversion no later than January 1, 2013, in order to prevent an obligation to perform any 2013 cost studies.

12. NECA would not suffer an undue hardship if the Petition is granted. NECA has actual notice of the FairPoint Petitioning LECs' intention to seek these waivers. An employee reporting to me has contacted NECA by phone to notify it that the FairPoint Petitioning LECs will seek these waivers.



The foregoing is true and complete to the best of my information, knowledge, and belief, as of the date of this declaration.

A handwritten signature in cursive script, appearing to read "Michael T. Skrivan", is written over a horizontal line.

Michael T. Skrivan

Executed: February 29, 2012